

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-02-8 (TF-02-437) (RPU-02-3)
---	--

**ORDER DOCKETING TARIFF, ESTABLISHING PROCEDURAL  
SCHEDULE, CONSOLIDATING CASES, AND SHORTENING  
TIME FOR RESPONSE TO DATA REQUESTS**

(Issued August 30, 2002)

On July 31, 2002, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) proposed electric tariffs, identified as TF-02-437, that incorporate IPL's application for approval of a class cost-of-service study, rate design, and rate consolidation. IPL's application is revenue neutral with respect to total Iowa jurisdictional electric revenues. However, the rate design and rate consolidation proposals would result in rate changes for most, if not all, of IPL's individual customers.

Because of the disparity in pricing among IPL's four pricing zones, some of the proposed rate changes are significant. On August 14, 2002, the Consumer Advocate Division of the Department of Justice filed an objection and request for docketing. To allow the Board time to fully consider the proposed increase, the tariffs will be docketed as a formal proceeding identified as Docket No. RPU-02-8.

Currently pending is IPL's application for an increase in electric rates, identified as Docket No. RPU-02-3. This application primarily addressed revenue requirement issues. On May 3, 2002, the Board denied a request filed by the Community Coalition for Rate Fairness (Community Coalition) to reject or dismiss IPL's electric revenue requirement filing because it did not contain a class cost-of-service study. The Board ordered IPL to file a class cost-of-service study, rate design, and rate consolidation proposal on or before July 31, 2002.

The Board in its May 3, 2002, order reserved ruling on the Community Coalition's alternative request for relief, which was to extend the statutory ten-month deadline in Docket No. RPU-02-3 and consolidate the revenue requirement and class cost-of-service, rate design, and rate consolidation cases. In the order, the Board expressed concern that customer rates would change twice within a short period of time, once following the conclusion of the revenue requirement case, and again approximately four months later when the rate design and rate consolidation case was decided.

Following its initial review of the class cost-of-service study, rate design, and rate consolidation filing, the Board has concluded that it cannot establish just and reasonable rates in Docket No. RPU-02-3 without consideration of the class cost-of-service, rate design, and rate consolidation issues in Docket No. RPU-02-8. The rate disparities between IPL's four pricing zones are so dramatic that revenue requirement decisions cannot be made without consideration of the issues in Docket No. RPU-02-8.

However, while a final decision cannot be made without evaluation of IPL's entire proposal, there are enough discrete issues in each docket that while the Board will consolidate the dockets it will bifurcate the hearing. The hearing scheduled for October 22, 2002, will go on as scheduled to address revenue requirement and other issues raised in Docket No. RPU-02-3. A separate procedural schedule will be established by this order to address the class cost-of-service, rate design, and rate consolidation issues raised by Docket No. RPU-02-8.

The consolidation of the two dockets will necessitate an extension of the statutory ten-month deadline found in Iowa Code § 476.6(13) for Docket No. RPU-02-3, although the Board does not intend to delay issuing a decision in the consolidated dockets until the expiration of the ten-month deadline in Docket No. RPU-02-8 on May 31, 2003. The Board intends to issue a decision in the consolidated dockets on or before April 15, 2003.

To facilitate the expedited procedural schedule, the Board on its own motion will waive the time period provided for in 199 IAC 7.7(1)"c" for response to discovery requests. The seven-day time frame provided for in the rule shall be shortened to five days for purposes of discovery related to class cost-of-service, rate design, and rate consolidation issues raised in Docket No. RPU-02-8.

**IT IS THEREFORE ORDERED:**

1. An investigation is instituted to determine the reasonableness of Interstate Power and Light Company's proposed tariffs, identified as TF-02-437. This matter will be identified as Docket No. RPU-02-8, a formal contested case

proceeding. Tariff filing TF-02-437 is suspended. The expenses reasonably attributable to this investigation shall be assessed to IPL in accordance with Iowa Code § 476.10.

2. Dockets Nos. RPU-02-3 and RPU-02-8 are consolidated, but are bifurcated for purposes of hearings and procedural schedules. The ten-month statutory deadline for Docket No. RPU-02-3 is extended.

3. The following procedural schedule is established for Docket No. RPU-02-8:

a. The parties shall notify the Board prior to November 27, 2002, if they desire a prehearing conference.

b. Consumer Advocate and any intervenors shall file prepared direct testimony, with underlying workpapers and exhibits, on or before October 21, 2002. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

c. If Consumer Advocate and any intervenors find it necessary to file testimony in rebuttal to each other's direct testimony, they may file rebuttal testimony on or before November 8, 2002.

d. IPL shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before November 15, 2002.

e. Consumer Advocate and any intervenor shall file rebuttal testimony on any of the issues raised initially in that party's direct testimony and responded to by another party, on or before November 27, 2002.

f. The parties shall file a joint statement of the issues on or before December 4, 2002.

g. All parties that choose to file a prehearing brief may do so on or before December 11, 2002.

h. A hearing shall be held beginning at 9 a.m. on January 6, 2003, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Utilities Board's Hearing Room, 350 Maple Street, Des Moines, Iowa. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

i. The parties may file simultaneous initial briefs on or before January 27, 2003.

j. All parties who filed initial briefs may file reply briefs on or before February 10, 2003.

4. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

5. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination, which have not been previously filed, shall become a part of the evidentiary record of these proceedings. The party making

reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

6. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of the hearing in this proceeding.

7. The Board, for purposes of discovery related to class cost-of-service, rate design, and rate equalization issues, hereby shortens the time provided in 199 IAC 7.7(1)"c" to respond or object to data requests or interrogatories from within seven days of receipt to five days of receipt.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer  
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 30<sup>th</sup> day of August, 2002.